

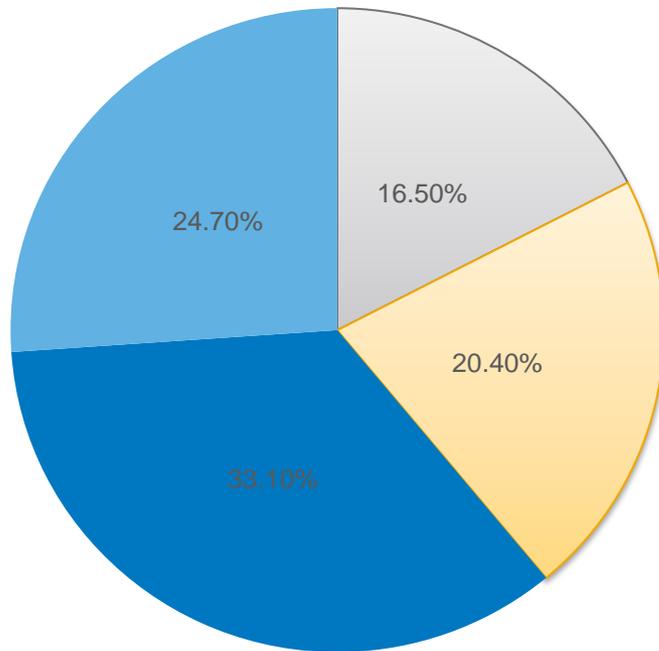
February 26, 2015 EEMAC Panel 1

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CFTC Commitment of Traders

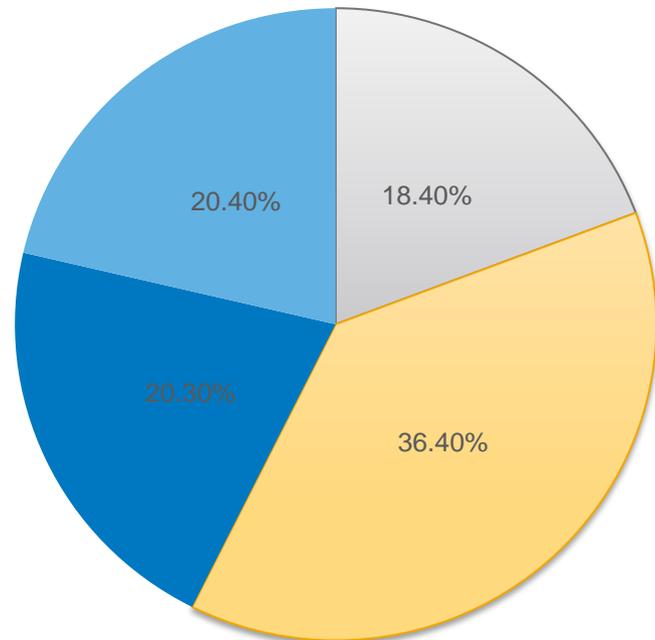
WTI Crude Oil Long % of OI (2012 - 2014)

Commercial Swap Dealer Managed Money Other

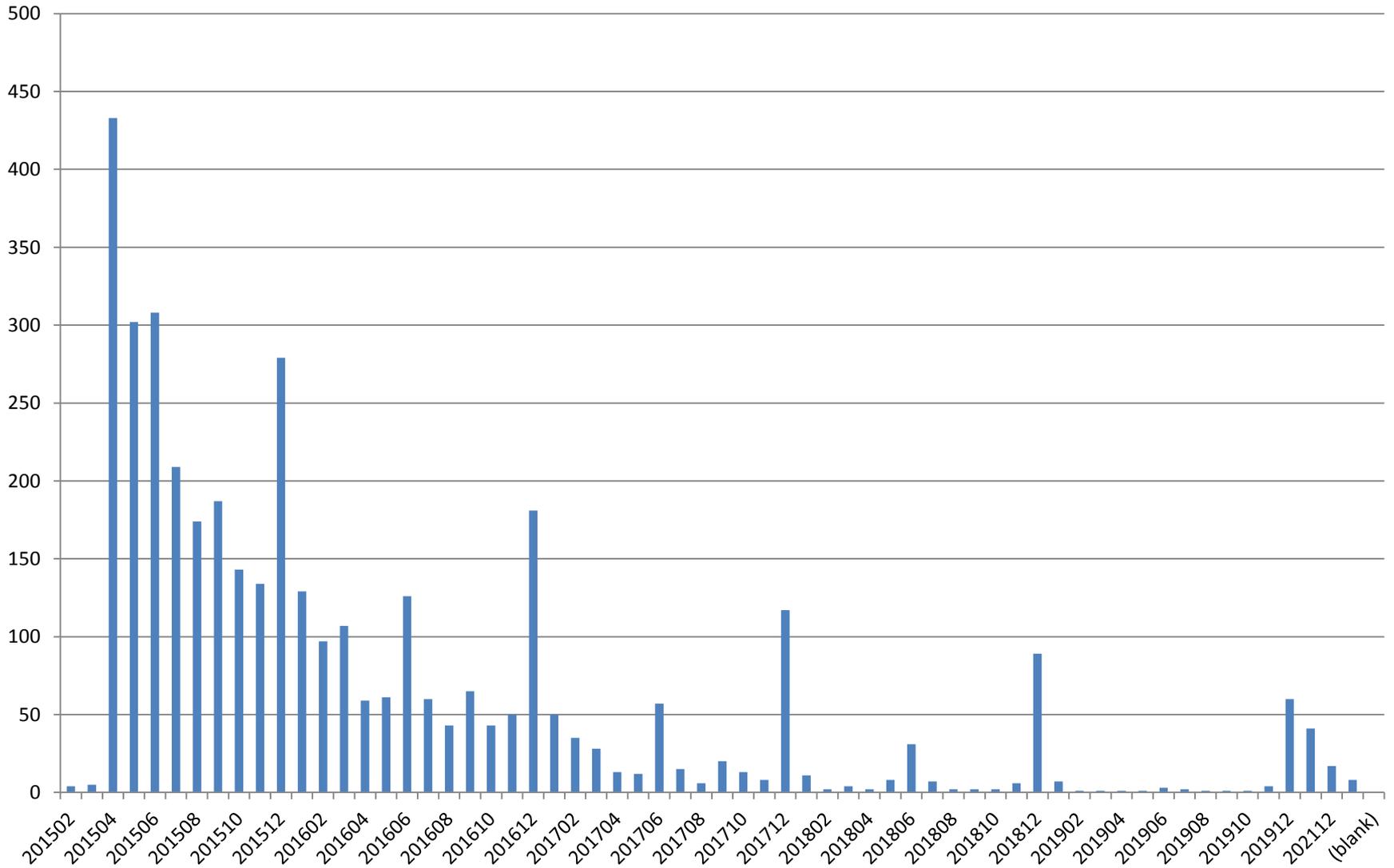


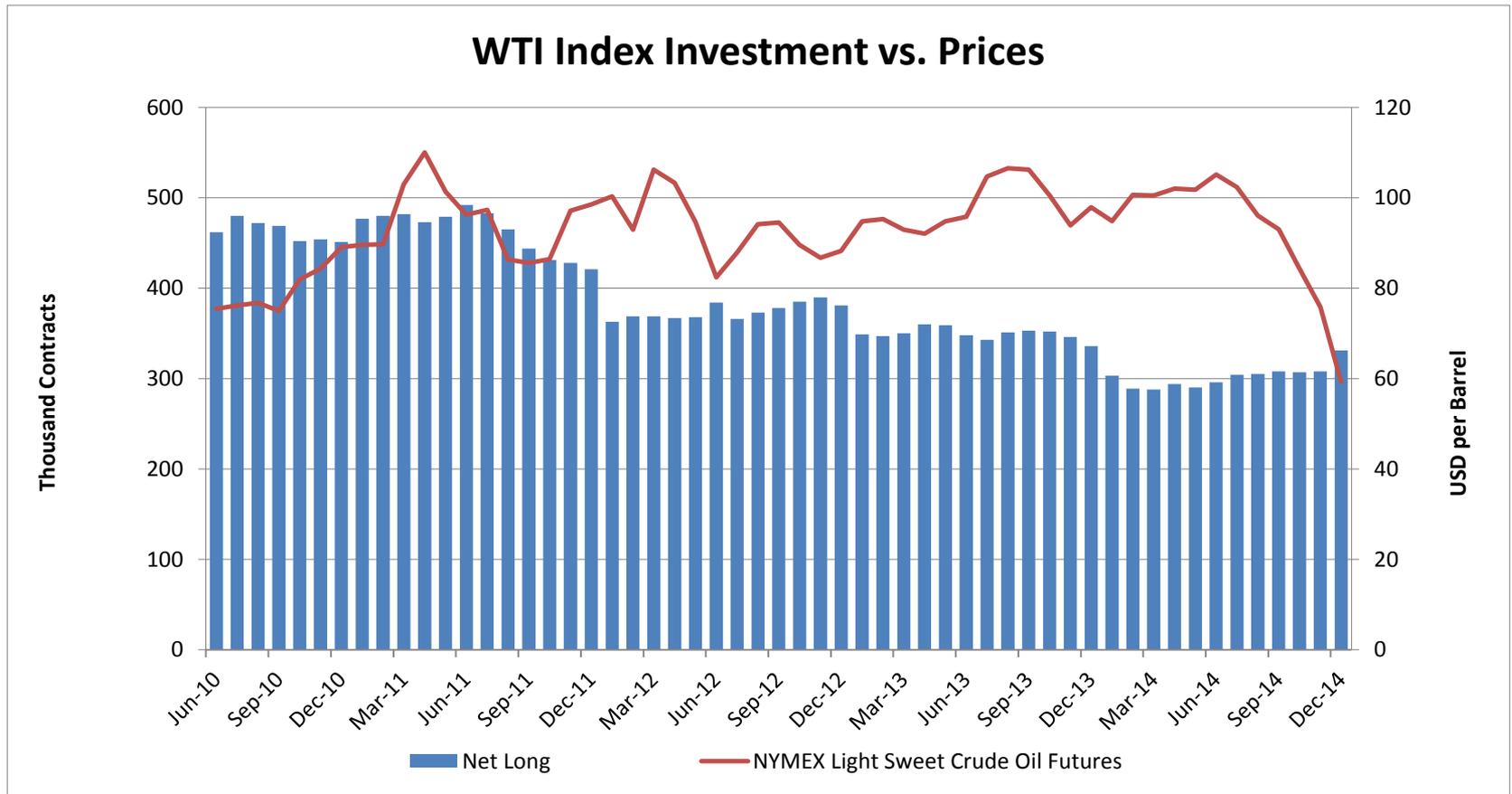
WTI Crude Oil Short % of OI (2012 - 2014)

Commercial Swap Dealer Managed Money Other



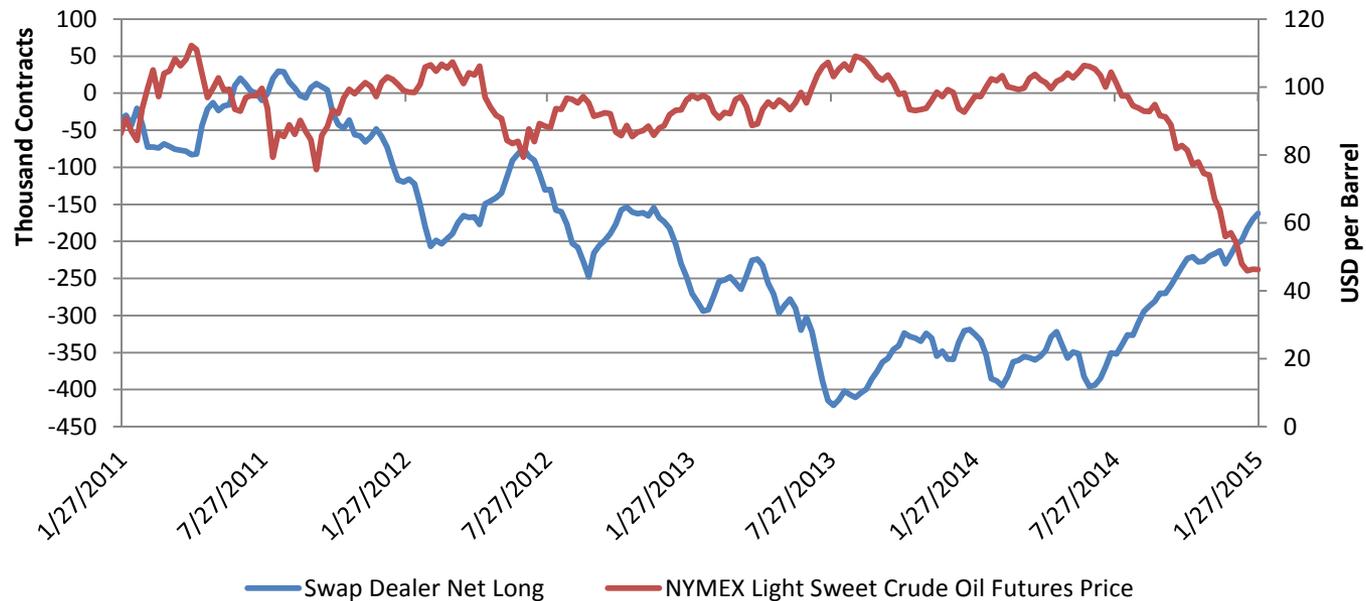
Number of Unique Participants WTI Crude Oil (Futures a/o 2-13-14)





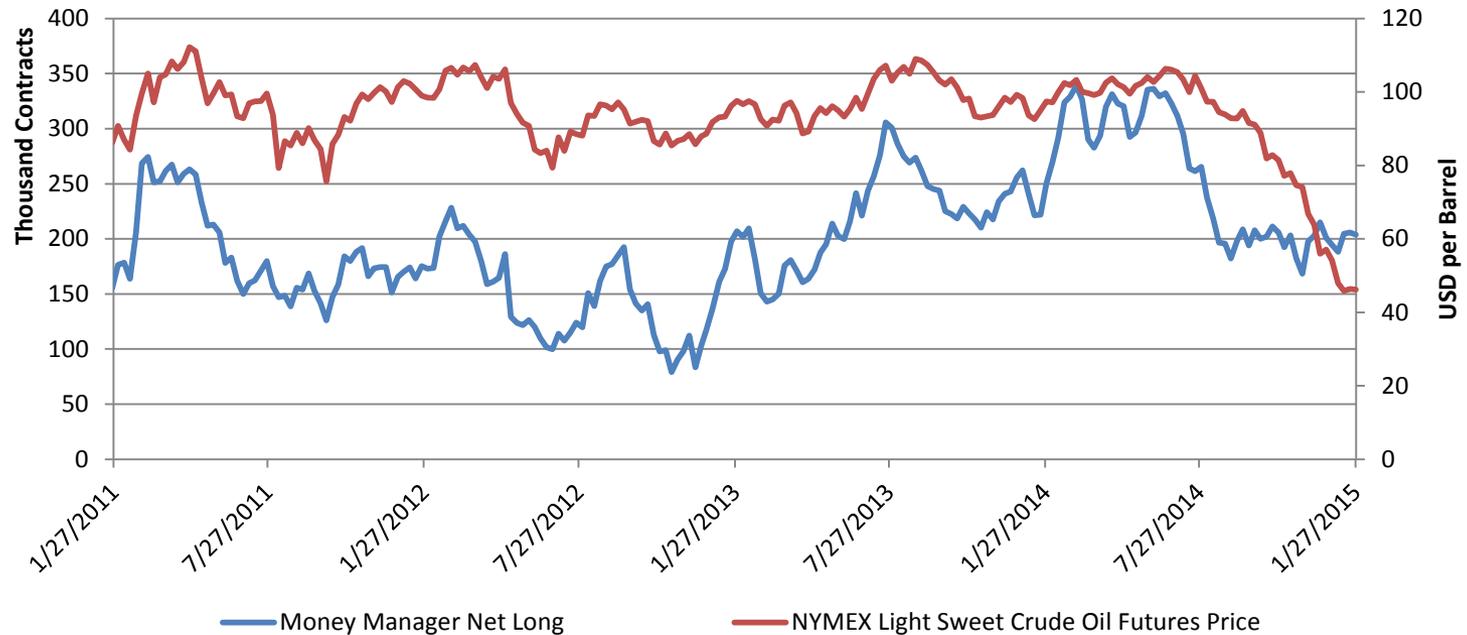
- The decline in net-long index investment in WTI began July 2011; prices began declining during June 2014—3 years later. Clearly no causality from index investment to prices.
- Since prices began declining, net-long index investment has increased slightly.

CFTC Commitment of Traders Swap Dealer OI



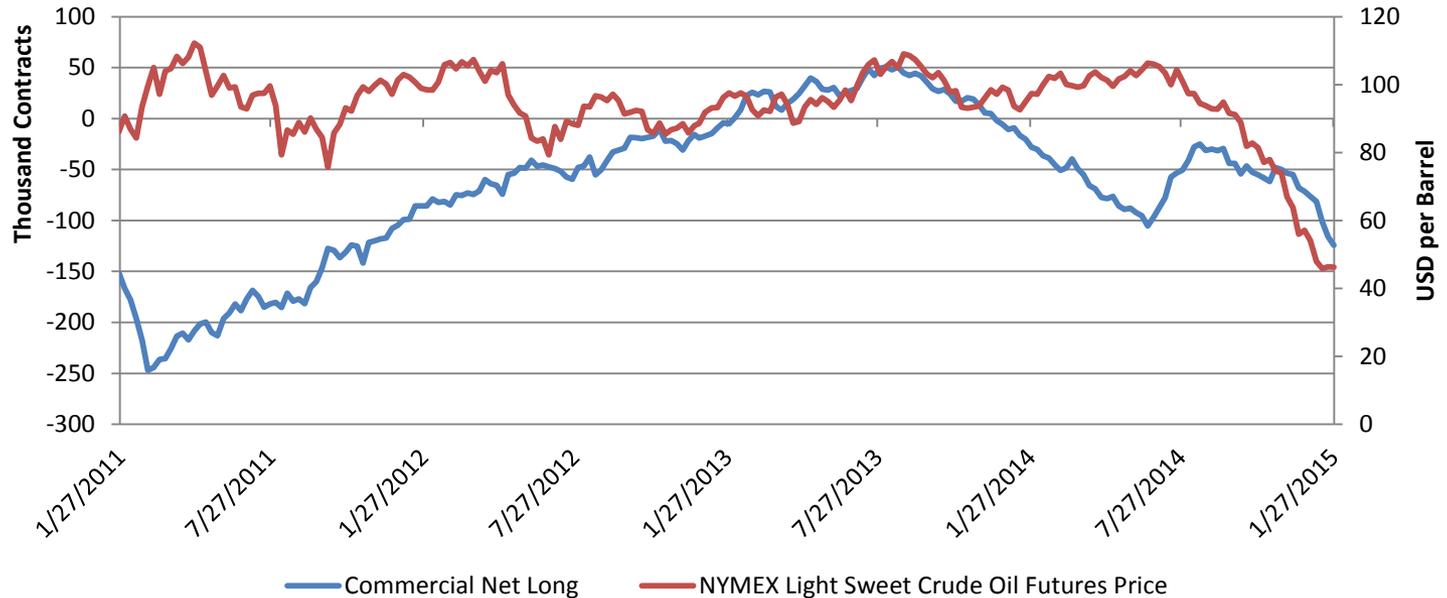
- From January 2011 thru June 2014, WTI prices stayed in the range between \$85/b and \$105/b for the most part while Swap Dealer positions trended from approximately net-long of zero to approximately -400,000 contracts. Clearly no discernible impact flowed from Swap Dealer positions to price.
- Since prices began declining in August 2014, Swap Dealer positions, while still net-short, have decreased their net-short positions by 200,000-250,000 contracts; in other words the net-long positions of Swap Dealers has substantially increased while prices were dropping.

CFTC Commitment of Traders Money Manager OI



- Between January 2011 and July 2014, while prices fluctuated between approximately \$85/b and \$105/b, Money Manager net-long positions also fluctuated from approximately 250,000 contracts, down to 100,000 contracts, and then back up to 325,000 contracts. There is no discernible influence evident during this period emanating from Money Manager positions to price.
- Money Manager net-long positions dropped sharply—by about 125,000 contracts—just as prices dropped by about \$10 per barrel (Aug-Sept 2014), but net-long positions have held steady as prices dropped another \$47 per barrel from October 2014 through January 2015. The evidence clearly supports that during the period of price reduction, there was no discernible impact emanating from Money Manager positions to price.

CFTC Commitment of Traders Commercial OI



- Between January 2011 and mid-2013, as prices fluctuated between \$85 and \$105, Commercial net-long positions rose by approximately 300,000 contracts. Thereafter, as prices continued to fluctuate until through July 2014, net-long Commercial positions dropped by approximately 200,000 positions. During this period, there is no discernible influence emanating from Commercial positions to price.
- Since prices began falling in Aug 2014, Commercial net-long positions have been shadowing the decline, falling by approximately 70,000 contracts. It appears that Commercials have increased their short hedges during this time period, which makes economic sense. Accordingly, the price decline appears to have influenced adjustments in the net-long positions of Commercials.

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